

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 30, 2009

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB98 by Lucio (relating to establishing a health science center and medical school in South Texas.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The provisions of the bill would allow The University of Texas System Board of Regents to establish The University of Texas Health Science Center- South Texas (institution) within The University of Texas System and provide the authority to establish a medical school and other health-related degree programs. The new institution would be eligible to participate in the Available University Fund and the Permanent Health Fund for Higher Education. Facilities built with tuition revenue bonds for the Regional Academic Health Center (RAHC) would be transferred to the new institution.

Facilities and financial obligations of the existing Regional Academic Health Center, which is currently affiliated with The University of Texas Health Science Center at San Antonio, could be converted to the new institution.

Section 6 states no funds for a state fiscal biennium ending on or before August 31, 2015, may be appropriated for the purposes of establishing the institution. Based on this provision, it is estimated that any significant costs to establish the institution would not occur until fiscal year 2016.

The bill would take effect immediately if it received two-thirds vote, if not, it takes effect September 1, 2009.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, KK, RT, DE